

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA 4:20-CR-00026-4

VS. HOUSTON, TEXAS

KHALID ABDULAZIZ MAY 4, 2020

EXCERPT OF THE TRANSCRIPT OF
PRELIMINARY EXAMINATION AND DETENTION HEARING
TESTIMONY OF JAMES SETTELEN
HEARD BEFORE THE HONORABLE NANCY K. JOHNSON
UNITED STATES MAGISTRATE JUDGE

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1 **E X C E R P T**

2 THE COURT: All right. So it looks like we've got
3 everyone. Yes.

4 So this will be the hearing for Mr. Abdulaziz
10:08AM 5 because we don't have the other lawyer on the phone. I told
6 him 11:00 for Mr. Chapa.

7 So who would we be starting with for a witness?

8 MS. COLLINS: Your Honor, we're starting with
9 Agent Settelen.

10:08AM 10 THE COURT: Mr. Settelen, raise your right hand.

11 (The oath was administered.)

12 THE COURT: All right.

13 MS. COLLINS: May I proceed, Your Honor?

14 THE COURT: You may.

10:09AM 15 MS. COLLINS: Thank you, Your Honor.

16 **JAMES SETTELEN,**

17 having been duly sworn, testified as follows, to wit:

18 **DIRECT EXAMINATION**

19 **BY MS. COLLINS:**

10:09AM 20 Q. Could you please state your name for the record?

21 A. My name is James Settelen.

22 (Technical interference.)

23 Q. And could you spell that for the Court?

24 A. It is S-E-T-T-E-L-E-N.

10:09AM 25 MR. AKERS: Your Honor, if we could mute the line at

1 Corley, I think that might help.

2 THE COURT: Mute the what?

3 MR. AKERS: If we could mute the line at Joe Corley, I
4 think that's where a lot of the background noise is coming
5 from.

6 THE COURT: Right. I don't know how to do that.

7 (Technical interference.)

8 MS. COLLINS: You want me to keep going or wait?

9 THE COURTROOM MANAGER: So I have a question. So the
10 agents that are appearing by video, did they dial in by video
11 and phone because that's probably where that extra noise is
12 coming on? You either have to be on one or the other. You
13 can't be on both.

14 (Off-the-record discussion.)

10:11AM 15 MS. COLLINS: All right. May I proceed, Your Honor?

16 THE COURT: Yes. And, Mr. Abdulaziz, if you could
17 raise your hand if you can still hear us.

18 Okay. Go ahead, Ms. Collins.

19 MS. COLLINS: Yes, Your Honor.

20 **BY MS. COLLINS:**

21 Q. Agent Settelen, could you let us know where you work --
22 who you work for?

23 A. I'm a special agent with the Bureau of Alcohol, Tobacco,
24 Firearms and Explosives.

10:12AM 25 Q. And how long have you held that position?

1 A. Since 2015.

2 Q. All right. As part of your current role with ATF, you do
3 a lot of work with FFLs?

4 A. Yes, I work firearms trafficking investigations right now.

10:12AM 5 Q. All right. I want to kind of jump right into things.

6 At some point did you become familiar with an FFL called
7 Zeroed in Armory?

8 A. Yes, I did.

9 Q. And can you tell us how that came about?

10:12AM 10 A. I was investigating a separate investigation of firearms
11 trafficking of an individual named Roger Levias; and through
12 physical surveillance of Mr. Levias and another known
13 associate, we observed them go to Zeroed in Armory and purchase
14 a firearm.

10:13AM 15 Q. All right. In the course of that investigation, did you
16 become aware that there were actually multiple investigations
17 involving Zeroed in Armory?

18 A. Yes, I became aware that there were approximately eight
19 open firearms trafficking investigations where individuals were
10:13AM 20 purchasing firearms from Zeroed in Armory.

21 Q. Looking into those other investigations as well as your
22 own, was there certain red flags that appeared about the number
23 or way in which firearms were being purchased from Zeroed In?

24 A. Yes, I reached out to Mr. Abdulaziz about the firearms
10:14AM 25 purchase by Roger Levias and the other individual named David

1 Lara and I received 4473s, which are firearms transactions
2 records, to where Levias and Lara purchased three
3 Barrett .50 caliber rifles as well as several other firearms,
4 which was significant because neither Lara or Levias had the
10:14AM 5 financial means through their Texas wage reports to be able to
6 afford a weapon that cost that amount of money.

7 Q. When you say, "that amount of money," what kind of money
8 are we talking about?

9 A. An 82A1, I think they were being sold by Zeroed in Armory
10:14AM 10 for approximately \$7500 each, so three of those between the two
11 of them. And then there are other larger .50 caliber rifles
12 being sold there up to approximately \$15,000 each.

13 Q. All right. Was there anything about the type of weapon,
14 a .50 caliber, that stood out to you?

10:15AM 15 A. A .50 caliber weapon is a large firearm, but it's also a
16 weapon of choice that is known to me that is a weapon of choice
17 by firearms or by cartel members that is often trafficked
18 across the border into Mexico.

19 Q. All right. Now, that was your investigation. You said
10:15AM 20 that there were at least seven other open investigations linked
21 to Zeroed In; is that correct?

22 A. Yes.

23 Q. All right. Did you connect with the agents involved in
24 those investigations to learn more about what evidence there
10:15AM 25 was?

1 A. Yes. I read reports, and I spoke to each of the case
2 agents involved in each one of those cases.

3 Q. All right. When you started looking into each of those
4 investigations, can you tell us what red flags came up
10:15AM 5 concerning the type of weapon and the way those weapons were
6 being purchased?

7 A. Yes. So one of the things that I did early on was I had
8 financial analysis run of financial records tied to Zeroed In
9 Armory. And one of the things that I saw that stood out was in
10:16AM 10 2017 the banks are required to file cash transaction records or
11 reports any time somebody deposits in excess of \$10,000 at one
12 time.

13 In 2017, it appeared that there was only one of those
14 transactions that took place for about \$10,700.

10:16AM 15 In 2018, the amount of cash transactions over \$10,000
16 deposited by Zeroed In Armory was in excess of \$100,000.

17 Then the next year in 2019, the cash transactions of over
18 \$10,000 was in excess of \$750,000.

19 So this stood out to me as a large increase in firearms,
10:17AM 20 at least suspected that he was taking in cash for firearms
21 instead of electronic method of payment.

22 Q. All right. Now, you said in your case concerning Levias
23 that you ran his wage reports and he didn't seem to have the
24 income to purchase these types of weapons.

10:17AM 25 Did you do the same type of investigation with regard to

1 the other seven cases?

2 A. Either I did it or someone associated to those cases
3 looked up those records.

4 Q. Okay. Similarly to your investigation, did it also appear
5 that in those cases those individuals didn't have the type of
6 cash to purchase the quantity of weapons and the type of
7 weapons that they were purchasing from Zeroed In?

8 A. Yes, there were. So the most recent investigation is to
9 an individual named Nathaniel Clair. And Clair, it's reported
10 to me that he is unemployed; but he was able to purchase over
11 approximately 247 firearms from Zeroed in Armory.

12 Q. And when you say 247 firearms, can you give us an idea of
13 whether that happened over years or months or in one or two
14 days? How did that come about?

15 A. Yeah. Well, Nathaniel Clair's firearms purchases, they
16 were mainly over the -- I think the past -- the previous six
17 months. But what was significant about his is there were a lot
18 of pistols being purchased, but also six Barrett .50 caliber
19 rifles were purchased that were recovered in Mexico in a home
20 associated to a high-level cartel lead.

21 Q. All right. And how do we get that information that
22 firearms were found in Mexico?

23 A. Mexican authorities recover firearms and sometimes they
24 trace them in our National Tracing Center here that's run by
25 the ATF. It's an electronic tracing system that will give

1 information on where that firearm, the importer, manufacturer,
2 and distributor and then ultimately the Federal Firearms
3 Licensee that received that firearm and then they can contact
4 them to see who they sold that firearm too.

10:19AM

5 Q. Okay. And that's how you determined that at least six
6 Barretts bought by Clair ended up in Mexico in a cartel
7 facility?

10:20AM

8 A. Well, either through ATF 4473 forms, which are the firearm
9 transaction records at the FFL or through another reporting
10 system that are multiple sale reports.

10:20AM

11 So any time somebody purchases more than two pistols or
12 more than two long guns in a five-day period from the same
13 federal firearms dealer, then the dealer is required to submit
14 a multiple sale form on that individual that comes to ATF that
15 we're able to view suspicious transactions in an effort to
16 combat firearms trafficking.

10:20AM

17 There's an exception to that rule and that is if you are a
18 manufacturer. If the FFL becomes a manufacturer of firearms,
19 they're exempt from filing that form on long guns only, but
20 they still have to file it on pistols.

10:21AM

21 So in Nathaniel Clair's case, those forms were being filed
22 by Zeroed in Armory and ATF was getting notified of all of the
23 firearms purchases that he was making from there as well as
24 some other FFLs.

25 Q. All right. When you have an investigation with large

1 amounts of guns like in Nathaniel Clair's case, is it normal
2 practice to approach the FFL -- in this case, Zeroed In
3 Armory -- and talk to them about the records they're keeping
4 and the individuals that they have sold weapons to?

10:21AM

5 A. It is normal practice to do that; however, in the case
6 against Nathaniel Clair, ATF decided to hold off on reaching
7 out to Zeroed in Armory due to the fact that there was
8 information they he was associated to other firearm trafficking
9 organizations and we didn't want to notify the FFL that we were
10 investigating Clair at the time.

10:21AM

11 Q. Okay. Let's talk about those other investigations you
12 were talking to.

13 At some point did you come into contact with or become
14 familiar with someone by the name of Camacho?

10:21AM

15 A. Yes.

16 Q. And I'm completely drawing a blank right now. Can you
17 give us his full name?

18 A. Victor Camacho.

19 Q. All right. And when did you first learn about
20 Mr. Camacho?

10:22AM

21 A. I learned about Camacho -- there was one of my coworkers,
22 another case agent, was working a firearms trafficking
23 investigation that involved Camacho.

24 Q. All right.

10:22AM

25 A. And I was -- so more specifically on Camacho, he was

1 arrested in Brownsville and Brownsville Police Department
2 arrested him for, I believe in connection to a shooting. And a
3 pistol was recovered, and it was traced through the National
4 Tracing Center to a woman named Ashley Giddens.

10:23AM 5 And so I had that information, and then Camacho was pulled
6 over in another traffic stop. He was bonded out and he was
7 pulled over in Fort Bend County and deputies found him in
8 possession of a .50 caliber rifle with an obliterated serial
9 number.

10:23AM 10 And myself and another case agent responded to the scene
11 of that traffic stop where they had Camacho in custody. He was
12 moved to a police facility, and I was able to interview Camacho
13 in association with possession of that firearm.

14 Q. Let's talk about those one at a time. You said on the
10:23AM 15 December 5th arrest he was found with at least a pistol that
16 came back to an Ashley Giddens; is that right?

17 A. Yes.

18 Q. In that same transaction or that same traffic stop, were
19 there also other firearms found in the vehicle?

10:23AM 20 A. Yes. There were -- so there were, I believe, four
21 308 AR-type rifles that were broken down into uppers and
22 lowers, which is an indicator of firearms trafficking to
23 smuggle those items.

24 And then I think there were some magazines as well in the
10:24AM 25 vehicle.

1 Q. Okay. When you ran those firearms, did those come back as
2 purchased by someone else?

3 A. Yes. Israel Chapa came back as a purchaser.

4 Q. All right. Let's talk about those individuals one at a
5 time.

6 When you became familiar with Israel Chapa through
7 Camacho's arrest, did you start looking into him and the manner
8 and type of weapons he was purchasing?

9 (Technical interference.)

10 A. I'm sorry. I'm having trouble hearing you. There's a lot
11 of static and paper moving around.

12 Q. I'm sorry. I'll speak up a little bit.

13 A. I am wondering who else may need to be muted.

14 Q. Let me just speak up for you, okay?

15 When the Camacho arrest occurred and you found that some
16 of those guns were purchased by Israel Chapa, did you begin to
17 investigate him?

18 A. ATF did. Another case agent began. Actually
19 Christopher Wilhite who is here with us and then also Jarod
20 Cardona began investigating Chapa and Camacho and other
21 associated individuals.

22 Q. When you started looking at Israel Chapa -- I say you --
23 ATF began looking at him, was there another one of these
24 situations where it looked like large numbers of cartel-style
25 firearms were being purchased by Israel Chapa?

1 A. Yes. There were over 150 firearms purchased by Chapa from
2 Zeroed in Armory that cost approximately over \$245,000 in about
3 a six-month time frame.

4 Q. Similar to these other investigations, was it clear from
5 Chapa's work records that he did not have the means to buy that
6 number and type of weapon?

7 A. Yes.

8 Q. All right. Similar to these other investigations, did it
9 become clear that at least some of those weapons purchased by
10 Chapa ended up in Mexico or were recovered in Mexico?

11 A. Yes.

12 Q. All right. Now, similarly when the other pistol in
13 Camacho's car was found coming back to Ashley Giddens, did you
14 start to look into her as well?

15 A. Yes.

16 Q. And with regard to Giddens, did she, in fact, agree to
17 speak with ATF about the firearms that she had purchased?

18 A. Yes, she was interviewed.

19 Q. All right. Can you tell us a little bit about what she
20 told you as far as who she was working with and how she went
21 about purchasing the firearms from Zeroed In?

22 A. So at the time Israel Chapa had already been interviewed
23 by ATF and so it's believed that Ashley Giddens knew that ATF
24 had talked to him. So she at the time said that she was being
25 directed by Chapa to purchase firearms from Zeroed in Armory.

1 And one of the significant things that she said was that
2 she didn't know what firearms she was necessarily picking up
3 from Zeroed in Armory, that she was given money and she would
4 show up and Mr. Abdulaziz would already have those firearms
10:27AM 5 ready. She would hand over the wad of cash and then pick up --
6 fill out the forms, pick up the guns and leave without ever
7 ordering them or knowing what she was picking up at the time,
8 which is a huge indicator of firearms trafficking.

9 Q. All right. So to be clear, according to Ashley Giddens,
10:28AM 10 she never placed any official orders for these firearms?

11 A. I don't know if I would go that far. I don't know if she
12 would place any orders, but I know that in the interview she
13 did say that they were being ordered or she was obtaining them
14 on behalf of Chapa at the time.

10:28AM 15 Q. All right. According to her, when she would enter
16 Zeroed In, was it always the defendant here that she would
17 interact with?

18 A. Yes.

19 Q. All right. In fact, I assume you did surveillance of
10:29AM 20 Zeroed in Armory in the course of your investigation, right?

21 A. I did.

22 Q. Would it be fair to say that that was dozens of hours, if
23 not more, of physical and video surveillance?

24 A. Yes. Days --

10:29AM 25 Q. Go ahead.

1 A. Approximately over a month of surveillance.

2 Q. And during that time did you ever see any other employee
3 of Zeroed in Armory other than this defendant?

4 A. I did not. And it can be noted that the defendant is the
10:29AM 5 sole listed managing member of the LLC, which is Zeroed in
6 Armory. There's no one else listed on there.

7 Q. All right. And when Ms. Giddens picked up firearms, did
8 she tell you kind of the quantity? Was it just a few here, a
9 few there? Large numbers? What are we talking about?

10:29AM 10 A. She had a significant number of firearms, but it wasn't a
11 huge number. It was, I think, in the twenties. I don't recall
12 off the top of my head exactly how much, but she would pick up
13 in the twenties.

14 Q. All right. And when she would enter Zeroed In to pick up
10:30AM 15 these firearms, was it her testimony that the defendant here
16 already knew what she was there to pick up?

17 A. Yes.

18 Q. Okay. In the course of that arrest as well as the arrest
19 on December 19th -- actually let's talk about the December 19th
10:30AM 20 arrest for just a minute. You said that there was

21 a .50 caliber firearm found in Camacho's car on that date?

22 A. Yes.

23 Q. All right. And were you able to determine who had
24 purchased that firearm?

10:30AM 25 A. Yes, it was the -- let me -- I'm trying to remember who

1 that was traced to.

2 Q. Does the name Cavazos sound familiar?

3 A. Yes. So Javier Cavazos.

4 Q. All right. In the course of these two arrests, were you
10:31AM 5 able to obtain phone downloads from Camacho's phone?

6 A. Yes. You're talking about the two arrests of Camacho,
7 correct?

8 Q. Yes, sir.

9 A. Yeah. So there were his phone in Brownsville and his
10:31AM 10 phone at the time of the arrest when he was arrested by ATF for
11 the obliterated serial number .50 cal. Those were downloaded,
12 and there were a significant number of conversations with other
13 individuals about firearms trafficking.

14 Q. Okay. When you say, "firearms trafficking," specifically
10:31AM 15 were there phone conversations on Mr. Camacho's phone regarding
16 Mexican sources that they were supplying?

17 A. Yes.

18 Q. All right. Now, specific to why we're here today, was
19 there anything in the course of those phone conversations that
10:32AM 20 had to do with this defendant?

21 A. Yes. There was a video on Camacho's phone. So the
22 conversations that Camacho was having was identified as being
23 with a phone number associated to an individual named
24 Isaac Rodriguez.

10:32AM 25 Isaac Rodriguez is -- they had significant conversation

1 about lists of firearms, sale of firearms, how much they cost,
2 firearms going to Mexico, and the people down there wanting to
3 know that information. They sent pictures back and forth as
4 well as video.

10:32AM

5 And in one of the videos, there's a video inside Zeroed in
6 Armory where Mr. Abdulaziz has asked Isaac Rodriguez if the
7 money is ready for the firearms to which there's a reply that,
8 yeah, it will be ready tomorrow. And there were a large number
9 of firearms that appeared to be in boxes within Zeroed in
10 Armory.

10:33AM

11 Q. Okay. I want to be really clear. To be fair, when you're
12 talking about conversations about firearms going to Mexico,
13 those conversations are between Mr. Camacho and Mr. Rodriguez;
14 is that correct?

10:33AM

15 A. Yes.

16 Q. All right. And when Mr. Camacho asked Mr. Rodriguez for
17 firearms to go to Mexico, do we see in the course of phone
18 tolls that when Rodriguez says he's got the guns he's, in fact,
19 in contact with Zeroed in Armory?

10:33AM

20 A. He is. He's in significant contact with Zeroed in Armory
21 to, you know, place those orders based on information from
22 testimony of other people.

23 Q. All right. And when you talk about this video that is on
24 Mr. Camacho's phone, it displays both Mr. Rodriguez as well as
25 the defendant here; is that correct?

10:34AM

1 A. The voice of Mr. Abdulaziz is heard asking about the money
2 in the background.

3 Q. All right. And from the video and your investigation, can
4 you tell where that video was taken?

10:34AM 5 A. It was taken inside Zeroed in Armory.

6 Q. Okay. So direct contact between this defendant and
7 Mr. Rodriguez?

8 A. Yes.

9 Q. Right. Now you mentioned that you were already familiar
10:34AM 10 with Isaac Rodriguez, correct?

11 A. I think that we learned about him through those phone
12 downloads.

13 Q. Okay. Fair enough.

14 Did Mr. Rodriguez himself have any firearm purchases from
10:34AM 15 Zeroed In?

16 A. Not that I know of. He hasn't purchased any firearms from
17 there, and that's consistent with the interview with
18 Mr. Abdulaziz where he doesn't purchase firearms from
19 Zeroed In.

10:35AM 20 Q. Okay. So all the firearms related to Isaac Rodriguez are
21 purchased by some other individual?

22 A. Yes. Isaac Rodriguez would direct people to go to Zeroed
23 in Armory and purchase firearms, and then those firearms were
24 ending up in large quantities in Mexico.

10:35AM 25 Q. All right. Let's talk about -- you mentioned that you had

1 individuals giving you this information. Let's talk about one
2 of those individuals. Are you familiar with a
3 Steven Baranowski?

4 A. Yes.

10:35AM 5 Q. Okay. Who is Steven Baranowski?

6 A. He was a purchaser of firearms for Isaac Rodriguez. He
7 went to Zeroed in Armory on several occasions and purchased
8 firearms for them and had firearms recovered in Mexico as well.

9 Q. All right. Do you know the number of firearms found in
10:36AM 10 Mexico?

11 A. I don't recall off the top of my head exactly how many
12 Baranowski had recovered. They're fairly recent because his
13 purchases took place at the beginning of March and those
14 recoveries were already recovered in Mexico within a matter of
10:36AM 15 weeks after his purchases took place.

16 Q. All right. So fairly short time frame between purchase
17 and recovery in Mexico?

18 A. Right. Which was consistent with the same thing when we
19 found Javier -- or Camacho in possession of the .50 cal with
10:36AM 20 the obliterated serial number, that firearm was purchased by
21 Javier Cavazos just one day prior to that recovery taking
22 place.

23 Q. All right. With regard to Steven Baranowski, did you-all
24 approach him for an interview?

10:37AM 25 A. Yes.

1 Q. Did he agree to speak with you?

2 A. He spoke with, yes, other agents, not myself.

3 Q. All right. But you're familiar with that interview?

4 JOE CORLEY OFFICER: Excuse me. I'm sorry. He would
10:37AM 5 like to go to the restroom real quick. Just a quick second.

6 (Court is in recess.)

7 THE COURT: All right. It looks like Mr. Abdulaziz is
8 back, so let's proceed.

9 MS. COLLINS: Am I good to go?

10:42AM 10 THE COURT: (Nodding head affirmatively.)

11 MS. COLLINS: Thank you, Your Honor.

12 **BY MS. COLLINS:**

13 Q. You mentioned that Steven Baranowski agreed to speak with
14 you. Can you tell us what he told you with regard to this
10:42AM 15 defendant and Zeroed in Armory?

16 A. Well, Baranowski said he was purchasing firearms for
17 Isaac Rodriguez and he got paid for each firearm that he
18 purchased.

19 Q. Similar to the situation with Ashley Giddens, did
10:43AM 20 Baranowski also describe basically showing up and being given
21 firearms?

22 A. Yeah, he had mentioned that he showed up thinking he was
23 getting one number of firearms and then Abdulaziz told him, no,
24 you're picking up this many today and he got more firearms than
10:43AM 25 he originally thought he was going there to pick up.

1 Q. And who was giving him the money to make these purchases?

2 A. That would be Isaac Rodriguez.

3 Q. All right. When you spoke to Baranowski, did he make
4 clear whether or not he understood that the firearms he was
10:43AM 5 picking up were going to Mexico?

6 A. Yes, he did. He mentioned several times that he knew they
7 were going to Mexico.

8 Q. And similar to Ashley Giddens, was it clear that he
9 himself had not purchased any of the firearms he was picking up
10:43AM 10 from Zeroed In?

11 A. Yes. Rephrase that for me.

12 Q. Yeah. Sure.

13 A. The firearms -- he wasn't the sole intended recipient of
14 the firearms.

10:44AM 15 Q. Okay.

16 A. Yes.

17 Q. Okay. So when he was picking up firearms on behalf of
18 Isaac Rodriguez, he was not placing those orders; is that
19 correct?

10:44AM 20 A. That's correct.

21 Q. Now, we've only talked about approximately four of the
22 investigations going on with Zeroed in Armory; but would it be
23 fair to say that there were additional investigations with
24 similar MOs as what we've just discussed?

10:44AM 25 A. Yes. The investigations have -- the purchase of firearms

1 by individuals without the financial means to afford them and
2 their weapons of choice like AK-type rifles, AR-type rifles and
3 large .50 caliber rifles that are known to me to be firearms of
4 choice for trafficking to Mexican cartels.

10:45AM

5 Q. And when we're talking about the number of firearms
6 purchased from Zeroed In that have been recovered in Mexico in
7 2019, what is that number so far?

10:45AM

8 A. The last time I checked it, it was around 30 firearms and
9 the reason why that is significant is because based on my
10 records search of eTrace, which houses all of those records,
11 there's only 35 firearms that have been recovered in Mexico
12 that were purchased from Zeroed in Armory historically.

10:45AM

13 So that large number of firearms within just one year in
14 association to the large number of cash deposits being made by
15 Zeroed in Armory in the calendar year 2019 indicated to me that
16 there were individuals purchasing firearms with cash and there
17 was a spike in association to that cash or those firearms being
18 purchased with the number of firearms actually being recovered
19 in Mexico.

10:46AM

20 Q. All right. In the course of your investigations, was
21 there ever a time where you or other members of ATF approached
22 Khalid about any of these investigations?

23 A. Yes. Special Agent Jarod Cardona talked to Abdulaziz at
24 least one time in reference to Israel Chapa and Ashley Giddens.

10:46AM

25 Q. All right. When speaking with the defendant, did

1 Agent Cardona make it clear that these were individuals that
2 were under investigation?

3 A. Yes.

4 Q. And did he, in fact, ask the defendant to call him if
5 these people showed up again to purchase firearms?

6 A. Yes.

7 Q. I assume he gave him a card or a number or something for
8 him to be able to reach Agent Cardona?

9 A. Yes.

10 Q. Did Agent Cardona ever hear from the defendant?

11 A. Not to my knowledge.

12 Q. To your knowledge did anyone from the ATF ever hear from
13 the defendant again?

14 A. No.

15 Q. Nevertheless, from your records searches, did Mr. Chapa as
16 well as Ms. Giddens make purchases at Zeroed In after that
17 conversation with Agent Cardona?

18 A. I believe that they -- Isaac Rodriguez was still directing
19 individuals to go to Zeroed in Armory; but those purchases were
20 then made by other individuals like Steve Baranowski.

21 So they started using other people whenever ATF came
22 around and started asking questions about a certain person who
23 was straw purchasing those firearms.

24 Q. In the course of Agent Cardona's conversation with the
25 defendant, did he make it clear that he wanted the defendant to

1 call him when these large number of firearm purchases were
2 made?

3 A. Yes.

4 Q. And, again, did he ever hear from him?

10:48AM 5 A. Not to my knowledge.

6 Q. After seeing all of these investigations with the same MO
7 occurring, did you make the decision, along with other agents
8 with ATF, to do essentially an undercover operation?

9 A. Yes.

10:48AM 10 Q. Can you tell us about that?

11 A. So I began investigating Zeroed in Armory directly and to
12 attempt to uncover any association to all of these firearms
13 trafficking cases that were taking place in the Houston area.

14 And one of the things that I did -- well, several things
10:48AM 15 that I did, but we utilized confidential informants to actually
16 enter Zeroed In Armory and make purchases from Abdulaziz.

17 Q. All right. And who did you use for those operations and
18 why? What type of individuals?

19 A. One confidential informant is a convicted felon and he was
10:49AM 20 prohibited due to his criminal history and could not purchase
21 firearms bypassing an FBI background check and the second
22 individual could purchase firearms and so we sent them both in
23 together to make those purchases.

24 Q. And I guess before we go any further, Zeroed in Armory, is
10:49AM 25 it located in the Southern District of Texas?

1 A. It is.

2 Q. All right. When was the first time that you sent these
3 CIs into Zeroed In?

4 A. March 27th.

10:49AM

5 Q. Okay. And when they entered, did you have them wired up
6 so that you would be able to record the conversations and go
7 back and confirm what they told you had happened?

8 A. Yes.

10:50AM

9 Q. Okay. And did you yourself also have conversations with
10 each of them after each operation to go over what had occurred
11 inside?

12 A. Yes.

13 Q. Along with that, did you have individuals -- did anybody
14 have eyes on Zeroed in Armory during this time?

10:50AM

15 A. Yes, we had surveillance. We were close by and we were
16 monitoring the active transmission of what was taking place
17 while it was happening.

18 Q. All right. Can you tell us about the first encounter
19 between the defendant and the CIs?

10:50AM

20 A. The CI-1 was -- the convicted felon placed a phone call at
21 my direction to Zeroed in Armory a day prior to the operation
22 and asked about firearms in stock and made an appointment to
23 arrive. The CI then arrived at the location, and CI-1 and CI-2
24 both entered the premises together.

10:51AM

25 CI-1 asked about firearms in stock, looked at several

1 firearms and said that he wanted to purchase those firearms
2 from Abdulaziz.

3 Go ahead.

4 Q. Sorry. How many firearms was CI Number 1 asking to
5 purchase?

6 A. Two firearms.

7 Q. At this point when he says he wants to purchase these
8 firearms, has all the talk been between CI-1 and the defendant?

9 A. Yes.

10 Q. All right. Is it clear from the conversation up to this
11 point that it is CI Number 1, the felon, who wants to purchase
12 these firearms?

13 A. Yes.

14 Q. Okay. What happens at that point where he makes the
15 gesture to purchase the firearms?

16 A. Abdulaziz asks him if he has a Texas license to carry.

17 CI-1 says, "No."

18 He says, "Do you have a driver's license?"

19 CI-1 hands his driver's license to Abdulaziz at which time

20 CI-1 asks Abdulaziz "Hey. What are you going to do with
21 that -- my driver's license?"

22 Abdulaziz said, "I'm going to run your background check."

23 And at that point CI-1 says, "I've got to be honest with
24 you. I'm a felon."

25 And Abdulaziz responds, "So you're not going to pass a

1 background check then, are you?"

2 And CI-1 says, "No."

3 And he looks at CI Number 2 who has not said anything
4 about the firearms and asks if CI-2 is at least 18 years of
10:52AM 5 age, which is significant because you have to be 18 years of
6 age to purchase a rifle, but you don't have to be -- or you
7 have to be 21 years of age to purchase a pistol and both of
8 these firearms were rifles.

9 Q. All right. Did she respond in the affirmative that she's
10:53AM 10 the right age?

11 A. Yes.

12 Q. All right. And what happens then?

13 A. Abdulaziz discusses with them and says, "The firearms have
14 to be for you. You can't purchase firearms for anybody else,
10:53AM 15 just so you understand that."

16 And he kind of gives a disclaimer about that situation if
17 she's going to buy the guns. But he ultimately says, "However
18 you guys want to do it."

19 And then CI-2 fills out the paperwork, and the background
10:53AM 20 check is conducted on CI-2 to purchase the firearms.

21 Q. All right. When it comes time to pay for those
22 firearms -- and how many were there?

23 A. There were two firearms.

24 Q. All right. When it comes time to pay for those, who
10:54AM 25 actually hands over the money?

1 A. CI Number 1.

2 Q. The felon?

3 A. The felon.

4 Q. All right. And what's significant -- well, let me back

10:54AM 5 up. Is there actually a place on the 4473 or -- excuse me --

6 the form you have to fill out to obtain a firearm that

7 discusses who is paying for that firearm and who it's on behalf
8 of?

9 A. Yes, on the 4473, the very first question that it asks is

10:54AM 10 Question 11(a) in reference to the firearms and it asks if

11 you're the actual transferee or buyer of the firearm.

12 And then further down, there are three pages of

13 instructions on ATF 4473 that break down each of the questions

14 that it asks and what those mean with definitions, notices, and

10:54AM 15 gives examples.

16 On Question 11(a), there's an example given of where

17 Individual 1 wants to purchase a firearm, but the money -- or

18 asks another individual to purchase the firearm, but the money

19 is not that individual's and explains that an FFL is not

10:55AM 20 allowed to transfer firearms to an individual who is not the

21 intended -- the actual transferee or buyer of the firearm and

22 who is buying the firearms and the money is not theirs.

23 So by CI-2 filling out the paperwork and doing the

24 background check, but CI-1 paying, the money is not CI 2's and

10:55AM 25 therefore that's a straw purchase that -- and relying on that

1 form on that -- checking that box, the FFL is not allowed to
2 transfer that firearm to CI-1 or CI-2.

3 Q. And is this information that as the owner of an FFL who's
4 been working as an FFL for five years would be expected to
5 know?

6 A. Yes, absolutely.

7 Q. All right. Now the felon pays in cash for these firearms
8 after the other CI fills out all the paperwork. Who are the
9 firearms actually handed to?

10 A. Well, prior to that, Abdulaziz tells CI-2 that CI-2 cannot
11 give the firearms to CI-1 because that's -- you know, you can't
12 buy firearms for someone else and makes that very clear.

13 Then Abdulaziz transfers -- physically transfers the
14 firearms to the felon by handing the firearms to -- one of the
15 firearms out of a box and then another he places in a box and
16 hands to the felon to exit the premise.

17 Q. All right. And does he, in fact, exit the premises with
18 both of those firearms?

19 A. Yes. CI-2 did not carry the firearms out of the building.

20 Q. All right. In the course of that first conversation
21 between the felon and the defendant, was there conversation
22 about additional purchases down the road?

23 A. Yes.

24 Q. Can you tell us about that?

25 A. They discuss the purchase of a .50 caliber rifle and CI-1

1 said he would be back for that and Abdulaziz says, "Yeah, it
2 would be fun to have."

3 Q. And, again, that conversation is happening between the
4 felon and the defendant?

10:57AM 5 A. Yes.

6 Q. Is the non-felon involved in that conversation in any way?

7 A. No.

8 Q. All right. Do you, in fact, set the felon up to return to
9 Zeroed in Armory?

10:57AM 10 A. Yes.

11 Q. And can you tell us the approximate time frame -- or when
12 does the next encounter occur? What date was that?

13 A. April 16th.

14 Q. So about two weeks later?

10:58AM 15 A. Yes.

16 Q. And between -- in that two-week time frame, are there
17 additional conversations that take place between the felon and
18 our defendant here?

19 A. Yeah. There are phone calls that take place.

10:58AM 20 Q. Is that about setting up for the felon to return and
21 purchase more weapons?

22 A. Yes.

23 Q. Okay. In April -- can you tell us kind of what goes down
24 in that encounter? Do both CIs enter the building at that

10:58AM 25 time?

1 A. Yes. So CI Number 1, the felon, calls Zeroed in Armory
2 and speaks to Abdulaziz on April 15th and a series of phone
3 calls take place back and forth.

4 On one of those phone calls, Abdulaziz states that he has
10:58AM 5 a firearm that he can sell to CI-1 that is a private party sale
6 so he won't have to conduct any paperwork on that firearm or he
7 doesn't want to have to pay any taxes. They also discuss
8 putting down a deposit on the .50 caliber rifle.

9 Q. Okay. Let's take those one at a time.

10:59AM 10 With regard to the .50 caliber rifle, similar to the first
11 encounter, is that a transaction that would require the
12 purchaser's criminal record to be run?

13 A. Yes.

14 Q. Okay. Similar to the first time, does the defendant have
10:59AM 15 the second CI fill out the paperwork?

16 A. Yes.

17 Q. All right. Similar to the first time, is it actually the
18 felon who hands over the money for that purchase?

19 A. Yes. So, well, the .50-caliber rifle, the deposit was put
11:00AM 20 down on that during the second transaction, during the second
21 operation undercover contact, but then that firearm was
22 actually -- the paperwork was filled out and the background
23 check and everything on April 28th. So just the deposit was
24 placed for that firearm on April 16th.

11:00AM 25 Q. All right. And that was given over or handed over by the

1 felon?

2 A. That money, yes. On April 16th, the deposit was given to
3 Abdulaziz for that weapon by the felon. However, Abdulaziz
4 placed the invoice for that firearm in CI 2's name and CI-2 was
5 not in the building at the time.

11:00AM

6 Q. Okay. So she wasn't even there when that conversation was
7 being had?

8 A. That's correct.

9 Q. All right. Similarly you mentioned a firearm without
10 paperwork. Can you explain that to us -- what that means?

11:01AM

11 A. Yes. So an FFL is required to log in the Acquisition and
12 Disposition book of their business of the Federal Firearms
13 Licensee, all firearms that they take in; and this includes
14 firearms that are being sold on behalf of other people on
15 consignment.

11:01AM

16 They're required to log it in to their book within
17 24 hours after receipt and I think seven days after the sale,
18 of the disposition of that firearm. So any time that firearm
19 mistake comes in, that it has to be logged in to that book.

11:01AM

20 Q. All right. What happened between the defendant and the
21 CI, the felon, that would be problematic with the rules you've
22 just stated?

23 A. So the Acquisition and Disposition book can't have that
24 firearm listed in it because there was no ATF Form 4473 or
25 background check associated to that firearm. So that would be

11:02AM

1 a huge violation of lying in the records of an FFL, records
2 required to be kept by an FFL if Abdulaziz did, in fact, fail
3 to place that firearm in the A&D book.

4 Oftentimes what we see in firearms trafficking is FFLs
11:02AM 5 will sell used firearms off record without completing the
6 proper forms and background check because there's typically no
7 way to trace that firearm to an FFL.

8 In contrast to a brand new firearm that's ordered from a
9 manufacturer or distributor, that firearm has a paper trail and
11:02AM 10 shipment records and purchase that can be tracked by ATF to the
11 FFL.

12 So typically you don't see brand new firearms being sold
13 without completing the background check because at some point
14 ATF will do an audit of the records and find that transaction
11:03AM 15 in the inspections that are done at the FFL and so only used
16 firearms without the record of receipt are sold without
17 completing paperwork generally.

18 Q. Whether or not the paperwork was filled out or not, would
19 the defendant have been able to sell to a felon?

11:03AM 20 A. No.

21 Q. All right.

22 A. It's a violation of 922(d)(1) to transfer or sell a
23 firearm to anybody with reasonable cause to believe that they
24 are a felon or prohibited and have been convicted of a crime
11:03AM 25 with a term exceeding one year.

1 Q. All right. Let me ask you this. We've talked a lot about
2 all of these investigations with firearms ending up in Mexico
3 that were purchased from Zeroed in Armory. When you sent the
4 CI in, the felon, at any point was the discussion of purchases
5 being taken to Mexico, did that conversation ever come up?

11:04AM

6 A. Yes. CI-1 told Abdulaziz that his boss wanted him to take
7 the firearms to Mexico.

8 Q. So the felon tells this defendant he's taking guns to
9 Mexico?

11:04AM

10 A. Yes.

11 Q. What happens? I mean what is the defendant's response to
12 that?

13 A. Abdulaziz tells him -- asks him if he's serious, that he
14 can't take the guns to Mexico, that's a huge federal violation,
15 and he's not allowed to sell to him if he tells him that.

11:04AM

16 Q. Does the CI, the felon, ever say, "Oh, never mind then.
17 I'm not going to take them there"?

18 A. No, he just mentions that, you know, "All right. Yeah,
19 well, they'll get paid to do that."

11:05AM

20 So he never denied the intent.

21 And then he immediately places a phone call and speaks in
22 Spanish and then asks Abdulaziz further questions about another
23 firearm on the wall and then speaking to somebody else in
24 Spanish relaying that information and hangs up and says, "I'll
25 take that one, too."

11:05AM

1 Q. All right. And at that point does the defendant say, "No,
2 I can't sell these items to you"?

3 A. No.

4 Q. Does he, in fact, sell the items to the felon?

11:05AM 5 A. Yes. The felon was the only one in the building. He
6 paid -- at the time he paid for the firearm that no background
7 check was conducted on and no paperwork was filled out for.

8 Later in the conversation when the receipts are being
9 handed over, he says, "I can't give you a receipt for that one
11:06AM 10 because we're not the ones selling it and, you know, that's --
11 there's no record of that --

12 (Technical interference.)

13 THE COURT: All right. This is Judge Johnson. Who
14 just joined the line?

11:07AM 15 MS. COLLINS: Agent Settelen, are you still there?

16 THE WITNESS: I am. I'm still here.

17 THE COURT: We've lost you on video.

18 THE WITNESS: What's that?

19 THE COURT: We've lost Agent Settelen on video.

11:07AM 20 THE WITNESS: Oh, really?

21 MS. STABE: On mine, it says there's a camera with an X
22 through it. I think he might have turned off his camera.

23 THE COURT: We can hear you, but turn on your camera.

24 THE WITNESS: My camera is on.

11:07AM 25 MS. STABE: There you are.

1 THE COURT: All right. We're all good. All right.

2 MS. COLLINS: I'm almost done, Judge. Just a couple of
3 more questions.

4 **BY MS. COLLINS:**

11:08AM 5 Q. Agent Settelen, did you run a search warrant on Zeroed in
6 Armory?

7 A. I did.

8 Q. And when did that occur?

9 A. On April 29th.

11:08AM 10 Q. And on that date, while you were there executing the
11 search warrant, was there actually a delivery of a large number
12 of firearms?

13 A. Yes, there was a UPS freight truck arrived with two
14 pallets of firearms at the weight of approximately

11:08AM 15 1,000 pounds.

16 Q. And the number of firearms?

17 A. There were 105 complete firearms from
18 Anderson Manufacturing as well as an additional 22 lower
19 receiver -- Anderson lower receiver firearms that did not have
11:08AM 20 uppers attached to them, so 127 in total.

21 Q. On that same date when that warrant was executed, did you
22 have an opportunity to speak to the defendant?

23 A. I did.

24 Q. All right. And did he explain who those firearms were
11:09AM 25 for?

1 A. Yes. He said that Isaac Rodriguez ordered those firearms
2 and an individual named Reyna was supposed to come pick those
3 up. That individual was identified as a Mario Reyna.

4 Q. All right. And how were you able to identify Mario Reyna?

11:09AM

5 A. I looked through the records that we took from Zeroed In
6 Armory and found ATF Forms 4473 associated to the individual
7 with other purchases.

8 Q. And if you know, the prior purchases that Mario Reyna
9 made, were they also large quantities like the 105 he was to
10 pick up on the day of the warrant?

11:09AM

11 A. I haven't had a chance to pull all those firearms off and
12 put them in a spreadsheet yet so I don't know exactly how many,
13 but I know there were multiple 4473s from purchases and there
14 was information where they obtained from phone tolls where that
15 phone number associated with that individual was in contact
16 with Isaac Rodriguez.

11:10AM

17 Q. So consistent with Isaac Rodriguez placing an order for
18 someone else to pick up on his behalf?

19 A. Yes.

11:10AM

20 Q. And, again, is that allowed?

21 A. No.

22 Q. Okay. In order to pick up those weapons, would
23 Mario Reyna have had to say he was picking them up on his
24 behalf for him as the owner?

11:10AM

25 A. Yes.

1 Q. All right. Just a couple of more questions,
2 Agent Settelen.

3 You mentioned that this defendant is the sole owner of
4 Zeroed in Armory; is that correct?

11:10AM

5 A. Yes.

6 Q. And you also mentioned that in 2019 alone, Zeroed in
7 Armory collected over \$750,000 in (Technical interference.)
8 alone; is that right?

11:11AM

9 A. Yes. There's some hard feedback so I'm having trouble
10 hearing you; but, yes, I think so.

11 Q. Let's be clear. In 2019 alone, were there over \$750,000
12 in cash deposits that would go back directly to this defendant?

11:11AM

13 A. Yes. We had grand jury subpoenas of his bank records and
14 there are -- the main account for Zeroed in Armory was like --
15 it was like \$1.75 million deposited into that one account over
16 the course of 2019.

17 Q. All right. In the course of your investigation, were you
18 able to determine -- well, I guess let me back up.

11:12AM

19 Would it be fair to say there is a concern about his ties
20 to Mexico given where these firearms are ending up?

21 MR. AKERS: Objection (Inaudible.)

22 THE COURT REPORTER: This is the court reporter. Could
23 you repeat your objection?

24 MR. AKERS: Calls for speculation.

11:12AM

25 THE COURT: Overruled.

1 **BY MS. COLLINS:**

2 Q. All right. And let me know if you can't hear me,
3 Agent Settelen.

4 A. Okay.

11:12AM

5 Q. Due to where firearms continually purchased at Zeroed in
6 Armory end up, in Mexico, is there a concern about this
7 defendant's ties to Mexico?

8 A. Yeah, I mean, he could have ties to Mexico through these
9 other individuals.

11:12AM

10 Q. Were you also able to discover in the course of your
11 investigation that he still has an affiliation out of country,
12 specifically with Saudi Arabia?

11:13AM

13 A. Yes, his father lives in Saudi Arabia per information he
14 told me in the interview. And he has an active passport. It
15 was renewed based on information found in his bank records last
16 year, and he told me he traveled out of the country in May of
17 last year at some time frame.

11:13AM

18 And one other thing about -- these firearms associated to
19 Rodriguez, some of these .50 caliber rifles that were recovered
20 and associated with Isaac Rodriguez, Javier Cavazos,
21 Israel Chapa and others, those firearms were recovered in
22 conjunction with a massacre that took place in Mexico.

11:14AM

23 This massacre that took place was in the town of
24 Villa Union, Mexico; and there were approximately 50
25 individuals suited with vehicles in military fatigues. The

1 vehicles were marked with "CDN," which is Cártel del Noreste.

2 And they attacked the police station there in Villa Union
3 and four Mexican State police officers were murdered during
4 that massacre as well as 15 other people were killed with
5 firearms that directly come back to Israel Chapa and others
6 associated to this firearms trafficking ring.

7 Q. Let me be clear. Were those firearms purchased at Zeroed
8 in Armory?

9 A. Yes.

10 Q. And I think I failed to mention that along with that, the
11 firearms that were recovered in Mexico purchased by Nathaniel
12 Clair at Zeroed In, were those found in a high-level cartel
13 member's home or building?

14 A. Yes, there were.

15 Q. And when you spoke to the defendant postarrest, did he
16 seem to have any remorse for the sales that he had made?

17 A. It did not appear to me that he had any remorse and
18 attempted to try and justify his purchases, stating that
19 there's no real rule that says that he can't sell 105 firearms
20 or large numbers of firearms to individuals, which he's correct
21 there's not a rule that states that.

22 But there are a lot of indicators that he had knowledge
23 these firearms were going to Mexico and close contact with the
24 individuals that were taking them there.

25 MS. COLLINS: Your Honor, with that, I would pass the

1 witness.

2 THE COURT: All right. So, Mr. Akers, let me give you
3 a few minutes to talk with your client before you begin cross
4 if that's what you want to do.

11:16AM 5 MR. AKERS: Yes, ma'am.

6 THE COURT: All right. How is that going to happen? I
7 guess you're just going to call the client, correct; or he's
8 going to call you?

9 MR. AKERS: I have the number to call.

11:16AM 10 THE COURT: All right. So everyone kind of mute your
11 mikes and stand by.

12 MS. COLLINS: Your Honor, while we have a moment, may I
13 be excused for just a second?

14 THE COURT: Yes, of course. We're going to take a few
11:16AM 15 minutes. Yeah.

16 (Court is in recess.)

17 THE COURT: Go ahead, Mr. Akers.

18 **CROSS-EXAMINATION**

19 **BY MR. AKERS:**

11:30AM 20 Q. Agent Settelen, when did you come on to this case, sir?

21 A. I officially -- well, yeah, I began investigating, I
22 think, in December; and the investigation kind of took off more
23 so in, I think, I believe, February of this year.

24 Q. And Mr. Abdulaziz is charged by way of a complaint with
11:31AM 25 selling a firearm to a prohibited person under 922(b)(5); is

1 that correct?

2 A. Say that again. You broke up a little bit. 922 what?

3 Q. (b)(5); is that correct?

4 A. 922(b)(5) is failing to note the name, age, and place of
11:31AM 5 residence of an individual when an FFL sells a firearm.

6 Q. That's my mistake. It's (d)(1), right? Selling a firearm
7 to a felon.

8 A. Yes.

9 Q. He is not charged with shipping firearms to Mexico,
11:31AM 10 correct?

11 A. Not at this time.

12 Q. Because that is a case you are trying to build, correct?

13 A. Not necessarily. It's because grand jury closed and we
14 can't go to an indictment.

11:31AM 15 Q. Well, you can still file a complaint, correct, just like
16 you did here, correct?

17 A. The complaint had four charges listed in it.

18 Q. I understand. But the long and short of it is you do not
19 have a witness or someone who will concretely tell you

11:32AM 20 Khalid Abdulaziz was in on this scheme and knew where these
21 weapons were going, correct?

22 A. At this time, yeah.

23 Q. You do not have a witness who will concretely tell you at
24 this time that Khalid Abdulaziz knew that Isaac Rodriguez was
11:32AM 25 the actual purchaser of these weapons, correct?

1 A. Yeah, I guess that's technically correct.

2 Q. You've spoken to a lot of these purchasers, right?

3 A. Yes. And Mr. Abdulaziz stated that Mr. Rodriguez would
4 send him people to buy firearms.

11:32AM 5 Q. Right. That he was a referral source, correct?

6 A. Yes. That's how he put it.

7 Q. And that's not illegal, referring people to a business?
8 Is that true?

9 A. Yeah, there's nothing wrong with that or there's no laws
11:33AM 10 against it.

11 Q. Are you aware that his Zeroed In Armory is a business that
12 is by and large part referral-based? They don't advertise.
13 They have a website, but it's a referral-based business?

14 A. Yeah. Well, sending people to a business to get a
11:33AM 15 kickback for them purchasing firearms from that individual, I
16 would have to check on the legality of that. I don't know off
17 the top of my head.

18 Q. A finder's fee is not illegal, correct, for finding
19 customers?

11:33AM 20 A. That's not illegal, I don't believe.

21 Q. And Mr. Abdulaziz is held to FFL, correct; so he legally
22 sells firearms to his customers?

23 A. Yes.

24 Q. And to get an FFL, you have to go through a very extensive
11:33AM 25 background check?

1 A. You have to go through a background check process with
2 ATF, yes.

3 Q. And ATF is the exact same agency who has been
4 investigating this matter; is that right?

11:34AM

5 A. Yes.

6 Q. And you began investigating not only Zeroed in Armory, but
7 also Khalid Abdulaziz as a person; is that right?

8 A. Yeah, because he's the sole LLC, managing member on the
9 LLC. Him and the business are one and the same. The
10 investigation into the business and --

11:34AM

11 Q. That's what I wanted. (Inaudible.)

12 THE COURT REPORTER: I'm sorry. I'm going to have to
13 ask you to repeat your question.

14 **BY MR. AKERS:**

11:34AM

15 Q. You know a lot about him?

16 A. Yeah.

17 Q. You know that there is no evidence or rather you have no
18 evidence whatsoever that he abuses alcohol or drugs?

19 A. No, I don't.

11:34AM

20 Q. You have no evidence that he has a violent bone in his
21 body?

22 A. Well, hold on. Go back to the last question.

23 There was an interview that took place that suggested that
24 Isaac Rodriguez or associates could possibly be selling
25 narcotics to Abdulaziz, but it was never confirmed.

11:35AM

1 Q. And that would be something that you would want to
2 confirm, correct?

3 A. Yeah, we will if it's possible through the investigation.

4 Q. And it may not be possible because it may not be true,
5 correct?

6 A. That's true.

7 Q. And you also found -- I want to go back and make sure
8 we're clear on this one. You have no evidence whatsoever that
9 he himself has any proclivity for violence at all?

10 A. No.

11 Q. You know that he has absolutely no criminal record of any
12 type whatsoever?

13 A. That's correct.

14 Q. And you mentioned in your direct examination that he could
15 have ties to Mexico through these other individuals, right?

16 A. Yes.

17 Q. That is exactly what it sounds like -- a possibility, but
18 you have nothing to back it up, correct?

19 A. Yeah, I don't have any direct information that he has
20 associates in Mexico.

21 Q. And, likewise, you mentioned that he has an active
22 passport, right?

23 A. Yes.

24 Q. It was renewed last year. Do you know why?

25 A. Abdulaziz told me that he went on a honeymoon to Italy.

1 Q. With his new wife, Mina Amiry, right, the Houston
2 attorney?

3 A. That's correct.

4 Q. And would it be fair to say through your investigation
5 that that is the only trip out of the country you know of that
6 he has made since he started living in Houston in 2006?

7 A. I believe so. I thought he told me that he visited his
8 father at some point, but I'm not a hundred percent on that.
9 He might have said his father came here.

10 Q. He does not have close contact with his father. Is that
11 true?

12 A. I can't speak to that. I have no idea.

13 Q. Well, you've spoken with him, correct; and one of the
14 things the prosecutor is concerned about is his ties to
15 Saudi Arabia?

16 A. Yeah, but Abdulaziz didn't tell me how close his
17 relationship was with his father so I prefer not to answer.

18 Q. Would it surprise you to learn that Mr. Abdulaziz didn't
19 even invite his father to their wedding, that his wife had to?

20 A. Yeah, I mean, I guess it's not surprising. I don't know.
21 Yeah. Fine.

22 Q. And you can't name anyone else in Saudi Arabia that he
23 would have a connection with whatsoever, right?

24 A. He told me he was born there. I don't know of anybody
25 else that he may know, but it's possible that he has contacts

1 there since he's affiliated with it and he was born there.

2 Q. And, again, it's possible. It's just that it's a
3 possibility, right?

4 A. Yes.

11:38AM

5 Q. Would it surprise you to learn that his Saudi Arabian
6 passport has been expired for at least a decade?

7 A. I didn't have any knowledge of that.

8 Q. That he looks kind of like a 12-year-old in this
9 Saudi Arabian passport picture?

11:38AM

10 A. I can't see it. It's too close.

11 Q. That's the danger of a Zoom hearing I suppose.

12 But in any case, other than a father that he does not
13 speak to, you have no idea of what connections he may have
14 there and it's quite possible the answer may be none?

11:38AM

15 A. Yes.

16 Q. So in addition to the investigation here, the ATF also
17 does -- is it a yearly audit of FFLs?

18 A. It doesn't necessarily have to be every year. It's based
19 on a cycle, yes. I believe he was inspected in 2018.

11:39AM

20 Q. How long do those audits typically last?

21 A. It depends on how many violations are found, but it could
22 be hours. It could be days. It just depends.

23 Q. And in any of those audits that you conducted into Zeroed
24 in Armory, were there any violations found?

11:39AM

25 A. Yes. There were record-keeping things and such like that

1 that weren't done correctly. I also found -- since I've gotten
2 his records, I found several things that would constitute
3 violations that would give --

4 Q. I'm talking about these audits in 2018 and the years
5 before. But nothing that would cause him to lose his FFL,
6 correct?

7 A. You know, so here is the thing. The inspections that
8 takes place of FFLs are another branch, so to speak, of ATF.
9 Those are the industry operations investigators. They are
10 not --

11 Q. It's not you?

12 A. -- they are not criminal investigators. And I don't feel
13 comfortable speaking to all of his previous inspections at this
14 time because I haven't had a chance to review all of those
15 inspections, but I know that there were things that if brought
16 up, could possibly go down that road, yeah.

17 Q. Let me be clear and more concise. He was inspected
18 several times, audited several times; and each time was granted
19 a new license?

20 A. Yes.

21 Q. Would it surprise you to learn that some of those
22 inspections that you said could take hours at Zeroed in Armory,
23 ATF spent months there?

24 A. Yeah. I mean, it just depends, like I said, on the actual
25 inspection of how long it takes and how many violations as well

1 as how many guns are there that they have to look at.

2 Q. And before I forget, were there any reports or audio
3 recordings or notes that you've taken that you relied on for
4 your testimony today?

11:41AM 5 A. Notes -- I haven't taken any notes. I'm relying mostly on
6 memory and on my affidavit for the search warrant.

7 Q. You have not listened to the recordings of these
8 confidential informants?

9 A. I'm sorry. I couldn't understand the question.

11:41AM 10 Q. Have you listened to the recordings of these confidential
11 informants?

12 A. Oh, yes, I have.

13 Q. Have you written any reports recording those recordings?

14 A. Some of them, yes.

11:42AM 15 MR. AKERS: Your Honor, I believe I'm entitled to
16 those.

17 MS. COLLINS: He should have received those this
18 morning prior to the hearing.

19 MR. AKERS: I haven't received anything.

11:42AM 20 MS. COLLINS: Mr. Akers, could you just confirm your
21 e-mail to make sure.

22 MR. AKERS: It's cca@akersfirm.com.

23 THE COURT: We're still getting feedback from somebody.

24 MR. WILHITE: It's probably whoever doesn't hear it.

11:43AM 25 THE COURT: So, Mr. Akers, you're seeking recordings

1 that the witness listened to?

2 MR. AKERS: And any reports he's written regarding the
3 facts that he's testified to.

4 MS. COLLINS: I'm resending that now, Your Honor. It's
11:43AM 5 just taking a little bit of time for it to upload.

6 THE WITNESS: You got the reports, right, Lisa?

7 MS. COLLINS: Yes.

8 (Brief pause in the proceedings.)

9 MS. COLLINS: It's showing sent.

11:45AM 10 MR. AKERS: I'll continue and then if it's substantial,
11 Your Honor, could I ask for a short break to review it?

12 THE COURT: Yes.

13 MR. AKERS: Thank you, Your Honor.

14 **BY MR. AKERS:**

11:45AM 15 Q. You mentioned, Special Agent, several individuals that
16 purchased firearms from Zeroed in Armory. That's Mr. Levias,
17 right?

18 A. Levias, yes.

19 Q. Levias. Mr. Lara?

11:45AM 20 A. Yes.

21 Q. Mr. Clair?

22 A. Yes.

23 Q. Mr. Chapa?

24 A. Yes.

11:45AM 25 Q. Mr. Baranowski and Ms. Giddens?

1 A. Yes.

2 Q. You would agree with me?

3 A. And Cavazos.

4 Q. And Cavazos. You would agree with me that every single
11:46AM 5 transaction that you were aware of with those individuals, an
6 ATF Form 4473 was filled out?

7 A. Yes.

8 Q. And even with Mr. Clair, your office requested information
9 from Mr. Abdulaziz on a suspicious transaction and he
11:46AM 10 specifically communicated with you and sent you everything he
11 had?

12 A. I mean, if the case agent contacted him, I wasn't aware of
13 that.

14 Q. Well, the case agent contacted him and requested some
11:46AM 15 documents; and he sent them. That was your testimony on
16 direct; is that correct?

17 A. No. I stated in my testimony that a lot of the documents
18 received on Clair were submitted through the multiple sale
19 reports, which is a first look report that ATF gets that would
11:47AM 20 have been submitted by Zeroed in Armory with a list of firearms
21 that somebody purchased pistols in a five-day period.

22 Q. Let me ask a broader question.

23 Has there ever been a point when you tried to contact
24 Mr. Abdulaziz in relation to this case or an audit or anything
11:47AM 25 when he did not answer all of your questions?

1 A. He answered the questions, and he sent the documents over
2 when asked.

3 Q. And --

4 A. He's required to.

11:47AM 5 Q. Right. And you've investigated several of these cases,
6 right?

7 A. Several firearms trafficking cases, yes.

8 Q. And if someone were to learn that they are under
9 investigation or learn there is an investigation ongoing
11:47AM 10 involving them, if they're going to flee, that's the right
11 time, isn't there?

12 MS. COLLINS: Objection to speculation.

13 THE COURT: Sustained.

14 **BY MR. AKERS:**

11:48AM 15 Q. So when you interviewed Mr. Abdulaziz, you discussed
16 Isaac Rodriguez liked we talked about, correct?

17 A. Yes.

18 Q. And you learned that Mr. Abdulaziz told you that
19 Mr. Rodriguez was referring clients over, referring people and
11:48AM 20 collectors and things like that?

21 A. Never used the term "collector," but he mentioned people
22 buying guns to keep as an investment.

23 Q. And that's legal, is it not?

24 A. To keep guns as an investment, that's fine.

11:48AM 25 Q. And would you agree with me that during election years

1 people decide to start buying up guns quite a bit more if they
2 think that the Second Amendment might be trampled a bit?

3 A. Yeah, people tend to buy more guns close to elections and,
4 you know, other natural disasters and things.

11:49AM

5 Q. And with Mr. Rodriguez, sending someone to Zeroed In
6 Armory to purchase firearms, they purchased the firearms, all
7 the forms are filled out correctly and legally and then they
8 leave. That was the end of Mr. Abdulaziz's involvement,
9 correct?

11:49AM

10 A. That's yet to be determined, but there's evidence that he,
11 you know --

12 Q. As far as -- let me -- you have absolutely nothing, no
13 concrete evidence to suggest that Mr. Abdulaziz knew that these
14 firearms were going directly back to Mr. Rodriguez? No one has
15 told you that, correct?

11:49AM

16 A. Other than the video where Mr. Abdulaziz is in there
17 asking him if the money was ready.

18 Q. And that money could have been from anyone, correct?

19 A. Could have been.

11:50AM

20 Q. So let's talk about these confidential informants that's
21 the subject of the case charge.

22 You have these suspicions so you sent in these CIs, right?

23 A. Yes.

24 Q. And the purchase was to see if Mr. Abdulaziz had the

11:50AM

25 disposition to sell to a felon, correct?

1 A. Yes.

2 Q. And you said the CIs -- CI Number 1 tried to buy a gun,
3 correct?

4 A. Yes.

11:50AM 5 Q. And Mr. Abdulaziz asked for his ID like he's required to
6 do, right?

7 A. Yes.

8 Q. And he said, "I'm a felon. I'm not going to pass a
9 background check," right?

11:50AM 10 A. Yes.

11 Q. And Mr. Abdulaziz says, "Well, I can't sell to you,"
12 correct?

13 A. No.

14 Q. He was not predisposed to immediately sell the firearm
11:50AM 15 right to CI Number 1, correct?

16 A. No. He said legally I have to do a background check and
17 suggested that he run it on CI-2.

18 Q. And CI-2 said, "Yes, I want to purchase the firearms,"
19 right?

11:51AM 20 A. Yes.

21 Q. And it's not illegal if -- and CI-2 and CI-1, have they
22 told him that they were in the same household?

23 A. Yes.

24 Q. It's not illegal for CI-2 to possess the firearm even if
11:51AM 25 CI-1 is in the house, correct?

1 A. No, that's not illegal.

2 Q. You then -- and so after -- I think you write in your
3 complaint that CI-2 purchases the firearms. After that occurs,
4 you wait three weeks to send CI-1 back over there, correct,
11:51AM 5 from March 27th to April 16th?

6 A. Yes.

7 Q. And did CI-1 reintroduce himself at that point?

8 A. Yes. Well, no. Yeah, Abdulaziz already knew who he was.

9 Q. Did he say, "Remember I'm a felon"?

11:52AM 10 A. He had mentioned on the phone that he couldn't buy pistols
11 because CI Number 2 wasn't at least 21. And then, you know, he
12 knew who he was when he entered, "Hey, this is -- he said, "You
13 were picking up these guns, right?"

14 Q. Right. And he -- one of them is a private party sale,
11:52AM 15 right?

16 A. There's no such thing as a private party sale. A firearm
17 is on consignment.

18 Q. Okay. But there are certain situations, would you agree
19 with me -- and the *Code of Federal Regulations* for firearm sale
11:52AM 20 is incredibly large, right?

21 A. Yes.

22 Q. There are certain situations where one individual can sell
23 a firearm to another without any background check, correct?

24 A. A private citizen can sell to another private citizen; but
11:53AM 25 as soon as the private citizen asks an FFL to sell a firearm on

1 their behalf, then the FFL is required to complete a background
2 check and a 4473.

3 Q. Right. I understand. It may not be this one, but you
4 would agree with me nobody knows verbatim every single *Code of*
5 *Federal Regulations* for firearm distributions, right?

6 A. I believe there's probably people that know every single
7 regulation.

8 Q. And you mentioned that CI-1 had a conversation in Spanish,
9 right?

10 A. Yes.

11 Q. Do you know that Mr. Abdulaziz does not speak Spanish?

12 A. Yes.

13 Q. And he said that he was -- his boss wanted to take him to
14 Mexico, right -- take the guns to Mexico? Excuse me.

15 A. Yes.

16 Q. And Mr. Abdulaziz specifically warned him "You can't do
17 that," right?

18 A. And stated that he shouldn't be selling to him if he's
19 telling him that.

20 Q. He said that specifically more than once. "If you guys
21 are planning to take them to Mexico, I can't sell you guns if
22 you're doing that," right?

23 A. He stated that at least once.

24 Q. In the complaint it says it at least twice. He very
25 specifically said, "If you're telling me you're taking them to

1 Mexico, I cannot sell you weapons."

2 A. Yeah. However, he still sold him the weapons.

3 Q. How many times in the complaint does Mr. Abdulaziz
4 specifically tell him, "I can't sell you guns if you're doing
5 this" and tell them what the law is?

11:54AM

6 A. Can I have a moment to pull up the complaint?

7 Q. Well, given that we're on video conference, if I told you
8 the answer was seven, would you believe me?

9 A. He told him seven times what?

11:55AM

10 Q. Seven different times that I can't sell you guns if you're
11 doing X, Y or Z?

12 A. Okay.

13 Q. So, after that --

14 A. It appeared to me that Mr. Abdulaziz was making those
15 statements to try and cover himself because he knew what they
16 were doing was illegal and he shouldn't be selling them
17 firearms.

11:55AM

18 Q. What appears to you is not the standard, right? It's what
19 Mr. Abdulaziz did, correct?

11:55AM

20 A. Well, he knew the laws because during the inspections that
21 you referenced earlier, I have signed reports where
22 Mr. Abdulaziz had every single law that he's required to
23 follow, he checked the box and then he had the opportunity for
24 the inspectors to explain that law to him and what his
25 responsibilities were as a Federal Firearms Licensee to which

11:55AM

1 he signed multiple forms over the course of several years that
2 said that he knew the rules and could follow them.

3 Q. And you mentioned several times -- or maybe not several
4 times. I'm sorry. That's disingenuous -- about the amount of
11:56AM 5 money that went through the store, right?

6 A. Yes.

7 Q. And you got grand jury subpoenas for the bank records,
8 correct?

9 A. I did.

11:56AM 10 Q. How much money --

11 A. Some of that is still being analyzed.

12 Q. How much money is in the account?

13 A. It depends. There's multiple accounts. It's pretty
14 convoluted, all of the transfers and everything; and it's still
11:56AM 15 being analyzed by financial investigators.

16 Q. As far as what's in the account right now, would it
17 surprise you to learn it's, like, \$30,000?

18 A. It doesn't surprise me because money was being moved
19 somewhere and that's what they're trying to figure out where
11:56AM 20 the money went because in December of 2019, Mr. Abdulaziz
21 deposited \$357,000 into his bank account; but by January 1
22 account opening in 2020, there was only \$10,000 in that
23 account.

24 So we're not real sure where \$340,000 went, and that's why
11:57AM 25 they're still investigating.

1 Q. Would it surprise you to learn that when he sells weapons,
2 he only does so at about a 5 to 10 percent markup?

3 A. That's what he said, but that's inaccurate based on the
4 financial records. I think last year it was closer to 17 to
11:57AM 5 18 percent markup based on his taxes and things like that that
6 they've looked at already.

7 Q. In the Zeroed in Armory, the entire business is not sale
8 of firearms, correct?

9 A. No. He has several machines.

11:57AM 10 Q. A large part of it is, like, engravings and doing
11 aesthetic stuff on weapons?

12 A. He has the capability to do that. I don't know how much
13 money he's taken in from that specifically.

14 Q. Okay. So you execute a search warrant on the store,
11:58AM 15 correct?

16 A. Yes.

17 Q. Did you seize all the firearms?

18 A. I believe so. I was -- ATF did execute it. We seized a
19 large number of firearms. If there were any missed, I don't
11:58AM 20 believe so; but, yeah, I think we did.

21 Q. Fair to say you're not going to miss a gun somewhere. You
22 probably got them all, correct?

23 A. I hope so.

24 Q. So --

11:58AM 25 A. There were a lot of little areas in there. So yeah.

1 Q. Okay.

2 A. We tried to seize every firearm that was at the store.

3 Q. And when the search warrant was being executed and
4 Mr. Abdulaziz was arrested, his wife showed up, correct?

11:58AM 5 A. I believe so, yeah.

6 Q. Did you have a chance to meet her?

7 A. I did not.

8 Q. Did you know that she is an attorney in Houston with
9 Hill & Hill law firm, an eminent domain firm?

11:59AM 10 A. Abdulaziz told me that.

11 Q. Do you know that they met in law school and own a modest
12 home together out in Pearland?

13 A. Yes.

14 Q. And you know this financial talk, you know they're not,
11:59AM 15 like, living large, right? It's a pretty modest home.

16 A. I've seen his residence, yes.

17 Q. And from your impression, I would gather, he cares quite a
18 bit about his wife?

19 A. I couldn't speak to that.

11:59AM 20 Q. Well, from your impression, would you say that she cares
21 quite a bit about him?

22 MS. COLLINS: Object to speculation, Your Honor.

23 THE COURT: I'll allow it if you know.

24 A. Yeah, I mean, she called or whenever she was talking to
11:59AM 25 him on the phone while -- after he was arrested, she, I guess,

1 seemed like a concerned wife.

2 **BY MR. AKERS:**

3 Q. And you met her so you know that she's about
4 eight-and-a-half-months pregnant, correct?

12:00PM

5 A. I didn't meet her, but Abdulaziz told me that she's
6 pregnant and due in June.

7 Q. In about five or six weeks, they will have their
8 first-born son?

9 A. Yes, if it's a boy. Yeah, he told me that it was a boy.

12:00PM

10 Q. Are you a father, sir?

11 A. I would rather not get into my personal life.

12 Q. Yeah, I understand.

13 But can you imagine a different event in a young man's
14 life that will more firmly keep him rooted on the ground with
15 his family than the birth of a first-born son?

12:00PM

16 MS. COLLINS: Your Honor, I'm going to object to
17 speculation.

18 THE WITNESS: Yeah.

19 THE COURT: I'll sustain that.

12:00PM

20 MR. AKERS: That's all I have, Your Honor.

21 THE COURT: Ms. Collins, anything else?

22 MS. COLLINS: Very, very briefly, Your Honor.

23 **REDIRECT EXAMINATION**

24 **BY MS. COLLINS:**

12:00PM

25 Q. Agent Settelen, defense counsel mentioned this idea of a

1 referral fee. When you picked up the defendant and questioned
2 him about the over a hundred guns that were delivered to
3 Zeroed In on the day of the warrant, did he tell you who those
4 guns were for?

12:01PM 5 A. Yeah, he said they were ordered by Isaac Rodriguez.

6 Q. And who did he say was going to pick them up?

7 A. Reyna. An individual named Reyna.

8 Q. And if Reyna was there, would he be the one who would have
9 to fill out a 4473?

12:01PM 10 A. Yes.

11 Q. Despite the fact they were for Rodriguez?

12 A. Yes.

13 Q. Similarly when you spoke to Baranowski, Steven Baranowski,
14 was he clear that it was Isaac Rodriguez and not himself that
15 placed the orders?

12:01PM 16 A. Yes.

17 Q. Similarly did he fill out a 4473?

18 A. Yes.

19 Q. Did he lie on that 4473 and state that he was picking them

12:01PM 20 up for himself?

21 A. Yes.

22 Q. And is that why he's also been charged?

23 A. Yes.

24 Q. Nevertheless was he honest about the fact that he

12:02PM 25 purchased those for Rodriguez to take to Mexico?

1 A. Yes.

2 Q. Similarly when Ashley Giddens was spoke to, was she clear
3 that she was picking up items that were not for her, but were
4 for an Israel Chapa?

12:02PM

5 A. Yes.

6 Q. Again, she filled out those 4473s, right?

7 A. Yes.

8 Q. Nevertheless it was clear to her that someone else had
9 placed the order since she had not?

12:02PM

10 A. Yes.

11 Q. And in all of these situations, it was clear that the
12 defendant was expecting the individual who picked up the
13 firearms, correct?

14 A. Yes.

12:02PM

15 Q. Even though they had placed no order?

16 A. Yes.

17 Q. And defense counsel asked you about whether or not the
18 felon CI had been re-asked about his felony status the second
19 time. Who were the forms filled out for on the second
20 encounter? For the felon or for his girlfriend?

12:03PM

21 A. I'm sorry. Can you restate that?

22 Q. Yes. Absolutely.

23 The second time when the felon CI went into Zeroed In,
24 were the forms for those weapons, the ones that were filled out
25 anyway, filled out in his name or her name?

12:03PM

1 A. One of the firearms was in her name and the other firearm
2 was sold to him with no paperwork whatsoever and that firearm
3 was sold directly to him.

4 Q. And when the 4473 was filled out in her name that second
12:03PM 5 time, was she even in the building?

6 A. She came into the building to fill out the form, but the
7 CI-1 was the one that requested the firearm and that's when
8 Mr. Abdulaziz said, "Is CI-2 here?"

9 And she was retrieved from the vehicle to fill out the
12:04PM 10 forms.

11 Q. Did that tell you that he recalled the fact that CI-1 was
12 a felon?

13 A. Yes. Because he would have known that CI-1 couldn't fill
14 out the forms.

12:04PM 15 MR. AKERS: Your Honor, I'm going to object to
16 speculation, Your Honor.

17 THE COURT: Say that again.

18 THE WITNESS: It's not speculation. If he wants the
19 guns, why would he not fill out the form.

12:04PM 20 MS. COLLINS: Why don't I re-ask the question,
21 Your Honor? That might take us back a little bit.

22 THE COURT: Go ahead.

23 **BY MS. COLLINS:**

24 Q. Agent Settelen, did the encounter the second time happen
12:04PM 25 just the way it had happened the first time? In other words,

1 was the felon the one that handed over the money?

2 A. Yes.

3 Q. Was the felon the one that took the item from the store?

4 A. Yes.

12:05PM

5 Q. And yet the defendant had the second CI fill out the
6 paperwork; is that right?

7 A. Yes. And to be fair -- go ahead.

8 Q. You mentioned consignment sales.

9 A. Yes.

12:05PM

10 Q. Is an FFL allowed to do what you call a consignment; in
11 other words, buying something from a private citizen?

12 A. An FFL is allowed to put firearms on consignment for other
13 individuals. During the undercover contact, Mr. Abdulaziz
14 stated that the firearm was not his, that it belonged to one of
15 his customers and he was selling it for him; therefore, that
16 firearm is on consignment.

12:05PM

17 Furthermore in the interview with Mr. Abdulaziz, he stated
18 that how he would do private sales versus consignment would be
19 he would mark the firearm as not for sale and place it in his
20 personal inventory of firearms even though that firearm was not
21 his personal firearm. It would belong to somebody else.

12:06PM

22 And this is a way to conceal the fact that that firearm
23 has not entered into the A&D book.

24 Q. Okay. Let me stop you right there.

12:06PM

25 To be clear, when a gun is on consignment by an FFL, are

1 they still required to fill out the appropriate paperwork and
2 run the appropriate background checks to sell that weapon?

3 A. Yes.

4 Q. And was that done?

12:06PM

5 A. That was not done on that firearm. During the undercover
6 meeting, the CI -- while the CI was there, another customer
7 came into the store who happened to be a police officer to drop
8 off a firearm for consignment.

12:06PM

9 After that police officer left, Mr. Abdulaziz stated that
10 there was another firearm on the wall that was -- that that
11 police officer was selling. It was considered a pistol because
12 it had an arm brace on it and therefore could not be purchased
13 by CI Number 2 because CI Number 2 is not 21 years of age.

12:07PM

14 At this time Mr. Abdulaziz said he wants all of the
15 paperwork to be done correctly on that one. So it indicated
16 that he knew the difference between a firearm on consignment
17 and a firearm that he was selling for somebody and placing it,
18 you know, not doing the correct paperwork for it.

19 MS. COLLINS: All right. Nothing further, Your Honor.

12:07PM

20 THE COURT: Mr. Akers, anything else?

21 MR. AKERS: Very briefly, Judge.

22 **CROSS-EXAMINATION**

23 **BY MR. AKERS:**

12:07PM

24 Q. Agent Settelen, you have no concrete evidence to suggest
25 that Mr. Abdulaziz plans to harm anyone if he is released,

1 correct?

2 A. No.

3 Q. You have no concrete evidence to suggest that he plans to
4 flee if he is released, correct?

5 A. No.

6 MR. AKERS: Pass the witness, Your Honor.

7 MS. COLLINS: Nothing further, Your Honor.

8 (End of Excerpt.)

9 * * * *

10 REPORTER'S CERTIFICATE

11 I, Lanie M. Smith, CSR, RMR, CRR, Official
12 Court Reporter, United States District Court, Southern District
13 of Texas, do hereby certify that the foregoing is a true and
14 correct transcript, to the best of my ability and
understanding, from the record of the proceedings in the
above-entitled and numbered matter.

15 /s/ Lanie M. Smith
16 Official Court Reporter
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